



HAMPSHIRE
**FIRE AND
RESCUE**
AUTHORITY

Revenue Budget 2009/10

and

Capital Programme 2009/10 to 2011/12

Hampshire Fire and Rescue Authority

Revenue Budget 2009/10

Capital Programme 2009/10 – 2011/12

Contents

Section A:	Revenue Budget 2009/10
Section B:	Detailed Revenue Budget
Section C:	Capital Programme 2009/10 – 2011/12

J Bonney MBA DMS BA(Hons) AIFireE
Chief Officer

J C Pittam BSc CPFA
Treasurer

Introduction

- 1 This document sets out the details of the Hampshire Fire and Rescue Authority's Revenue Budget for 2009/10 and Capital Programme for the 3 year period 2009/10 – 2011/12.
- 2 25 Councillors make up the Authority:
 - 19 from Hampshire County Council
 - 3 from Portsmouth City Council
 - 3 from Southampton City Council

The Membership (as at March 2009) is:

Hampshire County Council Members

Councillors:	R Baulk	Conservative
	I Beagley	Conservative (Vice-Chairman)
	MF Cartwright	Conservative (Chairman)
	K Chapman	Conservative
	M Cooper	Liberal Democrat
	L Dunsdon	Liberal Democrat
	A Evans	Conservative
	Mrs J Frankum	Labour
	E F Gale MBE	Conservative
	D Harrison	Liberal Democrat
	K House	Liberal Democrat
	P R C Hutcheson	Conservative
	R Kimber	Conservative
	D A Kirk	Conservative
	R McIntosh	Conservative
	Sam Payne	Liberal Democrat
	R H Price	Liberal Democrat
	D Simpson	Liberal Democrat
	Mrs M Tucker	Conservative

Portsmouth City Council Members

Councillors:	A Fraser	Liberal Democrat
	F Jonas	Conservative
	L Hunt	Liberal Democrat

Southampton City Council Members

Councillors:	P Galton	Liberal Democrat
	P Marsh-Jenks	Labour
	R Smith	Conservative (Vice-Chairman)

Section A

Page	Contents
4 - 7	Summary of revenue budget
8	Paying for the Service and analysis of reserves
9 - 11	Financial Management Strategy
11	Financial Health Indicators
12	Budget Forecast for 2010/11 and 2011/12
13	Prudential Indicators
14	Non-metropolitan Fire Authorities' Band D Council Tax 2009/10

Summary of Revenue Budget 2009/10

1 Summary

The budget for the Authority for 2009/10 has been set at £66,659,000.

2 Basis of Preparation

The budget was prepared using a base budget position taking account of:

- the original budget for 2008/09 increased to the November 2008 price base
- the net cost of salary increments
- changes in the cost of capital financing
- full year effect of previous years' growth
- an estimate of the costs of inflation from November 2008 to March 2010

To this base was added new expenditure totalling £1,024,000, details of which are set out in the following pages.

This budget was compiled against the background of the approved financial management strategy which is set out on pages 9 - 11.

3 Make-up of the Budget

	£'000
Original budget 2008/09	64,600
Add full year costs of inflation to November 2008	395
Add growth items allowed in the base budget:	
Net cost of increments	24
Interest and statutory provision for debt repayment	-313
Full year effect of previous years' growth and budget adjustments	-354
Provision for inflation from November 2008 to outturn 2009/10	1,440
Retained incidents	-52
Hampshire Fire and Rescue Authority (HFRA) firefighter pension costs	-34
Net change in leasing costs	-71
Base budget 2009/10	65,635
New expenditure:	
Unavoidable growth - Continuous professional development payments	150
- Operational equipment for vehicles	40
- Replacement of operational equipment	201
Revenue costs of proposed capital programme	10
Fuel	100
Repairs and maintenance of buildings	200
Assessment and development centres	100
Contribution to the Improvement and Sustainability reserve	223
Budget requirement 2009/10	66,659

4 Full year cost of inflation to November 2008 prices

The original budget has been increased by the actual costs of inflation to November 2008. Total inflation is £395,000 for pay and prices.

5 Increments

These are the gross costs of increments less savings on turnover. The net cost for firefighters is nil and for support staff is £24,000.

6 Interest and provision for statutory debt repayment costs

Interest payable to both the Public Works Loans Board and the County

Council together with the amount that has to be set aside for the statutory provision for debt repayment decrease these budget heads overall by a net £313,000 in 2009/10. This is mainly due to reduced borrowing as a result of more capital receipts being assumed and also lower interest rates.

7 Full year effect of previous years' growth

These decrease the budget by £354,000. This is mainly due to the one year adjustments included in the budget for the contributions to the modernisation and capital payments reserves offset by the reduction in the general balance.

8 Provision for future inflation

The provision for inflation from November 2008 to March 2010 has been calculated based on 2.5% for firefighters and for support staff, 5.0% for pension payments that the Authority is still liable for and 2.5% for most other costs (the notable exception being electricity which has been provided for at 71%). An increase in local government employer's pension contributions of 0.5% has also been provided for.

9 Retained Pay – number of incidents

The budget is currently based on 24,198 incidents. This was calculated using the agreed formula which takes the average of the last five years excluding the highest and lowest years to avoid any distortion of exceptional years.

The formula has been calculated for 2009/10 and the average number of incidents decreases to 23,692 which in turn decreases the retained pay budget by £52,000.

10 HFRA firefighters pension costs

The pension costs for which the Authority is liable for are estimated to decrease by £34,000 in 2009/10.

11 Reduction in leasing costs

This is the reduction in costs in the year of the operational leasing charges falling out as leases expire offset by the additional revenue costs of finance leases taken out.

12 Unavoidable growth – Continuous professional development payments

The net cost of these payments to Grey Book staff are made under national conditions of service and replace the former 'long service increments'.

13 Unavoidable growth – operational equipment for vehicles

This is to cover the replacement of equipment on front line vehicles which does not last the life of the vehicle and therefore needs to be replaced earlier. This increase enables a planned replacement programme to be established.

14 Unavoidable growth – replacement of operational equipment

The following equipment is either obsolete or has reached the end of its life: breathing apparatus, personal protective equipment (helmets), high-rise branches and rope packs. The replacement will be financed either through increases in the revenue budget or by revenue contributions to capital.

15 Revenue costs of proposed capital programme

This is the statutory provision for debt repayment and interest payments. Although it adds just £10,000 in 2009/10, the impact rises to £130,000 by 2012/13.

16 Fuel

This is the estimated increased cost of additional travel associated with carrying out current and proposed community safety activities.

17 Repairs and maintenance of buildings

The Authority has identified that the repair and maintenance backlog represents a strategic risk. Increasing the relevant revenue budgets will help to mitigate the risk. This sum available can be increased by a further £50,000 from savings in the existing budget for new hydrant schemes (a budget that has been underspent in recent years).

18 Assessment and Development Centres (ADC's)

A well-designed customised ADC is an effective tool for measuring the key behaviours important to employees' present success and future potential. The full cost of running these ADCs is estimated to be £200,000 but this would be offset by efficiency measures across existing training budgets.

19 Changes in reserves

In order to respond to in-year demands including improvements in environmental sustainability, facilities for female firefighters, pump-priming value for money initiatives and investment in information and communications technologies the improvement and sustainability reserve has been increased by £223,000.

Paying for the Service

Actual 2007/08 £000		Original 2008/09 £000	Budget 2009/10 £000
	Budget requirement		
3,966	Revenue Support Grant	3,450	5,384
23,629	Non-Domestic Rates	24,786	23,326
288	Net surplus on collection fund	163	237
34,567	Precept – met by council taxpayers	36,201	37,712
616,488.97	Taxbase Band D equivalent dwellings	621,679.87	625,403.94
£56.07	Council tax per Band D dwelling	£58.23	£60.30
4.5%	Increase over previous year	3.9%	3.6%
	Council taxes for each band		
37.38	Band A up to £40,000	38.82	40.20
43.61	Band B £40,001 - £52,000	45.29	46.90
49.84	Band C £52,001 - £68,000	51.76	53.60
56.07	Band D £68,001 - £88,000	58.23	60.30
68.53	Band E £88,001 - £120,000	71.17	73.70
80.99	Band F £120,001 - £160,000	84.11	87.10
93.45	Band G £160,001 - £320,000	97.05	100.50
112.14	Band H above £320,000	116.46	120.60

Analysis of reserves

Actual 2007/08 £000		Original 2008/09 £000	Revised 2008/09 £000	Budget 2009/10 £000
1,816	Unearmarked balance at 1 April	2,000	1,646	1,666
1,208	Earmarked reserves at 1 April	259	662	2,053
<u>34,855</u>	Estimated precept income	<u>36,364</u>	<u>36,364</u>	<u>37,949</u>
37,879		38,623	38,672	41,668
35,571	Expenditure to be met from precept, reserves and balances	35,923	34,953	37,726
2,308	Total reserves as at 31 March	2,700	3,719	3,942
662	Less earmarked reserves as at 31 March	1,100	2,053	2,276
1,646	Unearmarked balance at 31 March	1,600	1,666	1,666

Financial Management Strategy

Overall purpose : to provide the necessary financial resources to enable the Service to make life safer in Hampshire, and to ensure a high standard in the management of public finances.

Financial Planning - Budget strategy

- The budget strategy will be clearly related to the priorities set out in the HFRS Plan 2009 – 2012.
- Growth and savings proposals to be presented in a transparent manner to members as part of the annual budget cycle, identifying planned outcomes and performance improvements for budget growth and mechanisms for achieving any significant savings.
- Ensure that the long-term level of revenue commitments does not exceed long-term funding likely to be available including reasonable expected levels of future grant settlement and council tax.
- Maintain three-year budget projections based where necessary on alternative scenarios to reflect uncertainty of spending and resource assumptions in order to set the likely context for making final resource allocation decisions on an annual basis.
- Seek to achieve Government targets for efficiency gains – on target to achieve over three years.
- Set a prudent minimum level of reserves based on a strategic-level risk assessment and reassessed annually as part of the budget process.
- Minimise fluctuations in spending levels and council tax by absorbing the impact of different levels of pension outturn costs.
- Operate within firm cash limits, allocating provision for pay and other inflation at the start of the financial year.
- Contain spending within the approved cash limit for the year with no supplementary allocations being made from reserves other than in exceptional circumstances.
- Seek best value in services which should always include considerations for quality, risk to achieve sustainability, environmental impact, local economic development and equalities as well as price.
- Aim to achieve a level of council tax that is in the lower quartile of the taxes of Combined Fire Authorities.
- Link to average increase on state pension.

Capital programming

- Review capital strategy on an annual basis and prepare a three-year programme in the light of needs identified in the Corporate Plan, vehicle replacement programme and built estate condition survey, and prepare a three year capital programme in accordance with the strategy.
- Continue to reduce the proportion of vehicles leased and aim for full ownership of the fleet.
- Reinvest income from disposal of capital assets where possible in order to fund new developments and initiatives identified in the IRMP.
- Make full use of Government-supported borrowing.
- Make use of unsupported borrowing within the framework of the Prudential Code where there is a sound business case approved by the Authority.

Provision of Financial Services - effective management of budgets

- Maintain rigorous annual budgeting and budget monitoring processes.
- Maintain integrated accounting, budgetary and human resources systems.

Ensuring good practice and probity

- Apply sound financial regulations and associated financial procedures in support of good practice in financial administration and corporate governance.
- Provide an effective and efficient internal audit function which works co-operatively with the service's external auditors.
- Recognise the statutory role of the Treasurer in ensuring lawful and financially prudent decision making.
- Report the internal audit strategy to the Governance Committee.
- Present an annual internal audit assessment for the Service to the Governance Committee.
- Operate and develop computing systems with enhanced provision of financial management information to users.
- Comply with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management.
- Comply with accounting and audit standards contained in the relevant codes of practice and CIPFA guidance.

Efficient and accessible processing of transactions

- Operate best practices in relationships with local contractors and suppliers, including payment of bills in line with the Government's prompt payment target - achieving 97% within 30 days.
- Seek continuous improvement through "customer focus" in the delivering of financial services and support.
- Improve and extend the use of computing systems in delivering financial support services to users.
- Ensure that financial systems are set up in a way which facilitates use of e-government and e-procurement.
- Review the balance of in-house and contracted-out provision of financial services with the aim of achieving best value.
- Maintain a separate bank account for the Authority irrespective of any contracted-out arrangements for financial administration.

Financial Health Indicators

	Target 09/10
Variance from budget	
Net service spend (%) compared with previous monitoring report or original budget	+/- 5%
Balances as % of budget requirement	4 – 7%
Capital programme management	
Actual capital expenditure compared with estimate (% variation)	+/- 10%
Capital receipts and other third party contributions (% variation on financing plan)	+/- 10%

Outline Budget 2009/10 - 2011/12

Presented at outturn 2009/10 prices. Similar inflation assumptions have been made in the following two years - 2.5% for pay, 5.0% for pension payments that the Authority is still liable for and 2.5% for most other costs.

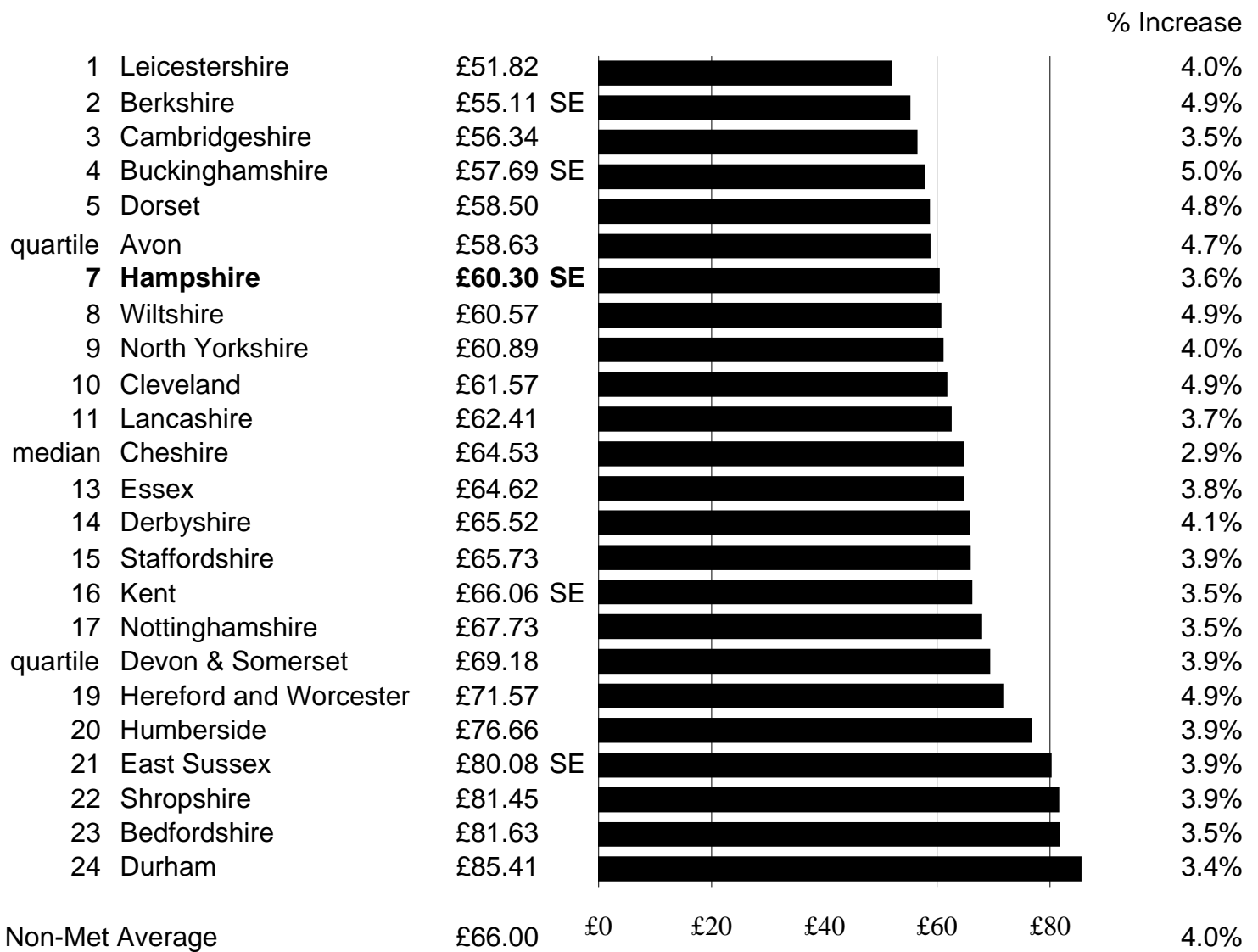
	2009/10	2010/11	2011/12
	£'000	£'000	£'000
EMPLOYEES			
Wholetime firefighters	33,841	33,841	33,841
Retained firefighters	6,277	6,277	6,277
Other staff	10,060	10,108	10,132
Other employees expenses	1,090	1,090	1,090
Net cost of pensions	739	848	851
Total Employees	52,007	52,164	52,191
PREMISES			
Building maintenance	1,612	1,612	1,612
Cleaning and refuse collection	260	260	260
Utilities, rents, rates etc	1,678	1,678	1,678
Total Premises	3,550	3,550	3,550
TRANSPORT			
Leasing	653	606	511
Other transport	1,807	1,807	1,807
Total Transport	2,460	2,413	2,318
SUPPLIES AND SERVICES			
Operational equipment	1,250	1,192	1,527
IT and communications	2,829	2,829	2,829
Insurance	696	696	696
Other supplies	2,724	2,724	2,724
Total Supplies and Services	7,499	7,441	7,776
Bought in support services	470	470	470
Unallocated efficiency savings	32	32	32
Depreciation	1,370	1,370	1,370
Savings to be identified	0	0	0
Revenue Contributions to Capital-budgeted	730	730	730
Revenue Contributions to Capital financed from reserves	0	0	0
Provision for inflation	0	1,695	3,390
GROSS EXPENDITURE	68,118	69,865	71,827
LESS INCOME	(1,384)	(1,384)	(1,384)
NET COST OF SERVICE	66,734	68,481	70,443
Interest on bank balance	60	60	60
Interest on external loans	416	516	564
Contribution to/(from) Capital Payment Reserve	0	0	0
Contribution to/(from) General Balance	0	0	0
Contribution to/(from) Improvement & Sustainability Reserve	223	0	0
Contribution to/(from) Equal Pay Reserve	0	0	0
Contribution from Capital Adjustments Account	(774)	(715)	(655)
BUDGET REQUIREMENT	66,659	68,342	70,412
Indicative increase in council tax	3.60%	3.60%	4.20%

PRUDENTIAL INDICATORS SUMMARY

Indicator	Basis	Period	Unit	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Affordability									
1	Estimate	Years 1, 2 and 3	%		1.4%	1.6%	1.9%	2.0%	
2	Actual	Year end	%	1.10%					
3	Estimate	Years 1, 2 and 3 (and longer as necessary)	£ per Band D Equivalent			£1.23	£1.29	£1.36	£0.18
Capital Expenditure									
4	Estimate	Years 1, 2 and 3 (and longer as necessary)	£000		3,915	5,166	4,169	3,567	920
5	Actual	Year end	£000	6,828					
6	Estimate	Years 1, 2 and 3	£000		13,741	15,497	16,959	16,731	
7	Actual	Year end	£000	12,850					
External Debt									
8	Estimate	Years 1, 2 and 3	£m			23	26	26	
9	Estimate	Years 1, 2 and 3	£m			15	16	17	
10	Actual	Year end	£000	5,950					
11	Actual	Year end	£000	459					
12	Actual	Year end	£000	6,409					
Prudence									
13	Estimate	Three year period	n/a				<input checked="" type="checkbox"/>		
Treasury Management									
14		All years	n/a	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
15	Estimate	Years 1, 2 and 3	£m		7.4	10.2	11.9	12.3	
16	Estimate	Years 1, 2 and 3	£m		14.6	14.9	15.1	15.4	
17	Estimate	All years	%			see below	see below	see below	
18	Estimate	All years	£m	nil	nil	nil	nil	nil	nil

Maturity structure of fixed rate		2009/10		2010/11		2011/12	
Period		upper limit	lower limit	upper limit	lower limit	upper limit	lower limit
17a	Under 12 months	0%	0%	0%	0%	0%	0%
17b	12 months and within 24 months	28%	0%	14%	0%	4%	0%
17c	24 months and within 5 years	28%	0%	14%	0%	4%	0%
17d	5 years and within 10 years	28%	0%	14%	0%	4%	0%
17e	10 years and above	0%	72%	0%	86%	0%	96%

Non-Met Fire Authorities' Band D Council Tax 2009/10



Section B – Detailed Revenue Budget 2009/10

Page	Contents
16-17	<i>INCOME AND EXPENDITURE ACCOUNT</i>
18-19	<i>PROTECTION PREVENTING RESPONDING</i> - Operational Responses, Communications and Mobilising
20-21	<i>RESPONDING</i> continued - Water Supplies <i>FIREFIGHTERS' PENSIONS MANAGEMENT AND SUPPORT SERVICES</i> - Transport Management and Maintenance, Training Delivery
22-23	<i>MANAGEMENT AND SUPPORT SERVICES</i> continued - Human Resources, Training and Development, Corporate Services, Corporate and Democratic Core
24-25	<i>CAPITAL ADJUSTMENT ACCOUNT, INTEREST PAYABLE AND RECEIVABLE, NON DISTRIBUTED COSTS, PENSIONS ACCOUNT</i>

Actual 2007/08		Original 2008/09	Revised 2008/09	Budget 2009/10
-------------------	--	---------------------	--------------------	-------------------

The budget for the Authority for 2009/10 is £66,659,000 which is £2,059,000 (3.19%) more than the budget for 2008/09.

Staffing Statistics

The budget allows for the following staff:-

	Firefighters			
824	Whole-time (FTE)	804	794	803
614	Retained (24 hour cover units)	676	611	676
	Other staff :			
42	Control room staff (FTE)	41	38	40
36	Incident support team (24 hour cover units)	22	37	22
265	Administration staff including workshop employees and cleaners (FTE)	267	260	265
<hr/>		<hr/>	<hr/>	<hr/>
1,780	Total	1,810	1,739	1,806

As well as excluding seconded staff and other externally funded posts, the incident support team budgeted staffing numbers have been reduced to reflect that the ICT staff are not budgeted for.

HAMPSHIRE FIRE & RESCUE AUTHORITY

REVENUE BUDGET

Actual		Original	Revised	Budget
2007/08		2008/09	2008/09	2009/10
£'000		£'000	£'000	£'000
INCOME AND EXPENDITURE ACCOUNT				
32,294	- Wholetime firefighters	33,346	33,266	33,841
6,241	- Retained firefighters	6,052	6,321	6,277
9,253	- Other staff	9,620	9,610	10,060
1,621	- Other employees expenses including training	1,071	1,064	1,090
349	- Pension (net costs)	744	540	739
1,243	- FRS17 adjustments	6,313	1,499	1,637
51,001		57,146	52,300	53,644
3,104	Premises	3,035	3,241	3,550
2,698	Transport	2,352	2,760	2,460
7,005	Supplies & services	7,117	6,666	7,499
422	Contracted support services	466	470	470
2,977	Capital charges	1,370	1,370	1,370
826	Revenue Contributions to capital-budgeted	730	860	730
111	Revenue Contributions to capital-financed from reserves	-	-	-
(28)	Increase/Decrease in provisions	-	-	-
-	- Savings to be identified	-43	-	-
-	- Unallocated efficiency savings	-	-	32
68,116	Gross expenditure	72,173	67,667	69,755
1,951	Less service income	1,706	2,247	1,384
394	Less Transitional Grant reserve	-	-	-
65,771	NET COST OF SERVICES	70,467	65,420	68,371
162	Loss on disposal of fixed assets	-	-	-
76	Interest on bank balance	330	120	60
281	Interest on external loans	545	317	416
19,520	Pensions interest cost and expected return on pensions assets	20,610	24,710	24,350
(20,763)	Movement on Pensions reserve	(26,923)	(26,209)	(25,987)
(252)	Contribution to/(from) Improvement & Sustainability reserve	341	341	223
(200)	Underspending reserve	-	-	-
-	- Contribution to/(from) Capital Payments reserve	500	750	-
354	Contribution to/(from) General balance	(400)	(334)	-
300	Contribution to/(from) Equal Pay reserve	-	300	-
(2,799)	Contribution from capital adjustment account	(870)	(815)	(774)
62,450	BUDGET REQUIREMENT	64,600	64,600	66,659

MET BY				
3,966	- Revenue Support Grant	3,450	3,450	5,384
23,629	- National Non-Domestic Rates	24,786	24,786	23,326
34,567	- Precept - met by council tax payers	36,201	36,201	37,712
288	- Collection fund net surplus	163	163	237
62,450		64,600	64,600	66,659

Actual 2007/08		Original 2008/09	Revised 2008/09	Budget 2009/10
-------------------	--	---------------------	--------------------	-------------------

PROTECTION

Fire Safety responsibilities range from goodwill advice to householders, to complex inspections of new and existing commercial or industrial developments.

10,523	Number of inspections carried out	11,000	9,500	9,500
--------	-----------------------------------	--------	-------	--------------

Business Education offer free seminars/workshops to educate non-domestic premises within Hampshire. The department is also responsible for the reduction of preventable incidents such as Automatic Fire Alarms and Lift rescues.

378	Non-domestic premises receiving training	400	450	500
549	Number of non-emergency lift incidents	n/a	500	425
3,934	Number of automatic fire alarm incidents	3,900	3,500	3,325

PREVENTING

Community Education provides, co-ordinates, monitors and evaluates safety education programmes and initiatives and fulfils a corporate role in promoting fire safety awareness through a variety of media.

309	Fire awareness safety visits KS1	317	279	220
265	School Fire Safety unit visits KS2	265	259	209
590	School liaison visits KS3	705	620	550
21,561	Other activities including home fire safety checks	24,000	21,000	11,000

The revised 2008/09 and budget 2009/10 estimates on the opposite page reflect staff movements following the re-organisation of the Service Delivery directorate, particularly between Protection and Preventing.

RESPONDING**Operational Responses**

The Authority saves lives and protects property throughout the geographic county of Hampshire. It responded to 21,762 incidents in 2007/08 (24,401 in 2006/07).

52	Number of stations	52	51	51
268	Number of vehicles	266	270	271
21,762	Number of incidents	24,198	24,198	23,692

Communications and Mobilising

This heading includes all expenditure directly or indirectly related to the handling of emergency (999) calls from the public. In excess of 40,000 calls are received in a year. The sophisticated communications and IT systems used in the mobilising of resources to incidents is maintained by a combination of in-house technical support staff and the external contractors.

HAMPSHIRE FIRE & RESCUE AUTHORITY

REVENUE BUDGET

Actual 2007/08 £'000		Original 2008/09 £'000	Revised 2008/09 £'000	Budget 2009/10 £'000
PROTECTION				
4,177	Employees	3,585	3,736	3,817
15	Premises	11	4	15
233	Transport	178	249	231
191	Supplies and services	51	173	190
4	Capital charges	-	-	-
<u>632</u>	Central support services	<u>506</u>	<u>610</u>	<u>617</u>
5,252		4,331	4,772	4,870
<u>179</u>	Less Income - fees and charges	<u>31</u>	<u>172</u>	<u>148</u>
<u>5,073</u>	Net expenditure inc in Income and Expenditure Account	<u>4,300</u>	<u>4,600</u>	<u>4,722</u>
PREVENTING				
1,337	Employees	2,571	1,529	1,420
-	Premises	23	-	-
66	Transport	55	57	-
385	Supplies and services	304	161	136
23	Capital charges	-	-	-
<u>259</u>	Central support services	<u>305</u>	<u>260</u>	<u>238</u>
2,070		3,258	2,007	1,794
<u>104</u>	Less Income - fees and charges	<u>471</u>	<u>44</u>	<u>-</u>
<u>1,966</u>	Net expenditure inc in Income and Expenditure Account	<u>2,787</u>	<u>1,963</u>	<u>1,794</u>
RESPONDING				
Operational Responses				
34,878	Employees	39,653	36,592	37,751
2,919	Premises	2,885	2,519	2,791
1,601	Transport	1,422	1,594	1,479
1,726	Supplies and services	1,769	1,526	2,001
2,857	Capital charges	1,361	1,234	1,234
<u>11,991</u>	Central support services	<u>12,206</u>	<u>12,355</u>	<u>12,658</u>
55,972		59,296	55,820	57,914
<u>1,102</u>	Less Income - fees and charges	<u>1,039</u>	<u>1,433</u>	<u>1,001</u>
<u>54,870</u>	Net expenditure inc in Income and Expenditure Account	<u>58,257</u>	<u>54,387</u>	<u>56,913</u>
Communications and Mobilising				
1,567	Employees	1,767	1,531	1,532
23	Premises	9	1	13
11	Transport	-	16	-
402	Supplies and services	585	547	616
<u>272</u>	Central support services	<u>297</u>	<u>286</u>	<u>311</u>
2,275		2,658	2,381	2,472
<u>159</u>	Less Income - fees and charges	<u>17</u>	<u>239</u>	<u>78</u>
<u>2,116</u>	Net expenditure inc in Income and Expenditure Account	<u>2,641</u>	<u>2,142</u>	<u>2,394</u>

Actual 2007/08	Original 2008/09	Revised 2008/09	Budget 2009/10
-------------------	---------------------	--------------------	-------------------

Securing Water Supplies

There is a duty under the Fire Services Act 1947 to secure the provision of water supplies for firefighting purposes. In practice, water companies provide the necessary water supply, but fire authorities are responsible for determining the location of hydrants and for their subsequent testing, repair and maintenance

FIREFIGHTERS' PENSIONS

Since 1st April 2006 new financing arrangements have been in place for firefighters' pensions. The costs here represent the injury pensions and ill health charges that the Authority has to finance.

MANAGEMENT AND SUPPORT SERVICES

Transport Management and Maintenance

All vehicles owned or leased by the Authority are repaired and maintained at the fleet maintenance centre at Service HQ, Eastleigh. A 24 hour emergency callout service is also provided.

268	Number of vehicles serviced	266	270	271
-----	-----------------------------	-----	-----	------------

Training Delivery

The Training Centre provides initial and continuation training for all personnel.

HAMPSHIRE FIRE & RESCUE AUTHORITY
REVENUE BUDGET

Actual 2007/08 £'000		Original 2008/09 £'000	Revised 2008/09 £'000	Budget 2009/10 £'000
Securing Water Supplies				
87	Supplies and services	191	121	191
22	Central support services	23	18	27
<u>109</u>	Net expenditure inc in Income and Expenditure Account	<u>214</u>	<u>139</u>	<u>218</u>
FIREFIGHTERS' PENSIONS				
448	Injury Pension payments	391	533	489
-	Ill health charges	353	120	264
-	Transfer values paid	-	-	-
448		744	653	753
99	Less - contributions	-	3	14
-	- transfer values received	-	110	-
<u>349</u>	Net expenditure inc in Income and Expenditure Account	<u>744</u>	<u>540</u>	<u>739</u>
MANAGEMENT AND SUPPORT SERVICES				
Transport Management and Maintenance				
1,056	Employees	1,041	944	976
76	Premises	68	19	13
564	Transport	532	639	540
137	Supplies and services	103	106	103
22	Capital charges	4	4	4
1,855		1,748	1,712	1,636
187	Less Income - fees and charges	109	260	112
<u>-1,668</u>	Costs allocated to services	<u>-1,639</u>	<u>-1,452</u>	<u>-1,524</u>
<u>-</u>	Net expenditure inc in Income and Expenditure Account	<u>-</u>	<u>-</u>	<u>-</u>
Training Delivery				
3,226	Employees	2,919	3,244	2,862
43	Premises	39	22	39
116	Transport	82	93	98
240	Supplies and services	179	201	179
9	Capital Charges	-	-	-
3,634		3,219	3,560	3,178
167	Less Income - fees and charges	2	44	2
<u>-3,467</u>	Costs allocated to services	<u>-3,217</u>	<u>-3,516</u>	<u>-3,176</u>
<u>-</u>	Net expenditure inc in Income and Expenditure Account	<u>-</u>	<u>-</u>	<u>-</u>

Actual	Original	Revised	Budget
2007/08	2008/09	2008/09	2009/10

Human Resources

The budget covers the cost of running the Human Resources Department and Occupational Health and Safety Unit.

Training and Development

In addition to the provision of in-service training, the development of personnel is also carried out at the Fire Service College, in Moreton-in-Marsh, Gloucestershire, universities and by other external training providers.

Corporate Services

Internal support to the Authority is provided by the following departments

- Financial and Office Services
- Property Services
- Information (ICT) Services
- Performance Review Unit

Additional expertise is provided under contracts for services by Hampshire County Council for the following services :

- Financial services
- Legal services
- Committee secretariat
- Personnel services
- Information and Communications Technology Support
- Property Services (Architects, surveyors, etc)

Corporate and Democratic Core

The corporate and democratic core comprises two services: democratic representation and management and corporate management. Democratic representation concerns corporate policy making and all other member-based activities. Corporate management costs are those which provide the infrastructure for the service to be provided and the information required for public accountability.

HAMPSHIRE FIRE & RESCUE AUTHORITY
REVENUE BUDGET

Actual 2007/08 £'000		Original 2008/09 £'000	Revised 2008/09 £'000	Budget 2009/10 £'000
Human Resources				
1,709	Employees	1,654	1,325	1,361
4	Premises	-	-	-
34	Transport	4	20	11
392	Supplies and services	234	428	324
4	Capital charges	-	-	-
2,143		1,892	1,773	1,696
-	Less Income - fees and charges	-	-	-
-2,143	Costs allocated to services	-1,892	-1,773	-1,696
-	Net expenditure inc in Income and Expenditure Account	-	-	-
Training and Development				
149	Employees	527	147	528
1	Transport	15	1	2
1	Supplies and services	25	17	25
151		567	165	555
24	Less Income - fees and charges	14	15	14
-127	Costs allocated to services	-553	-150	-541
-	Net expenditure inc in Income and Expenditure Account	-	-	-
Corporate Services				
2,602	Employees	2,684	2,712	2,658
24	Premises	-	676	679
72	Transport	64	91	99
3,444	Supplies and services	3,676	3,386	3,734
422	Contract support services	466	470	470
58	Capital charges	5	132	132
6,622		6,895	7,467	7,772
29	Less Income - fees and charges	23	40	29
6,593		6,872	7,427	7,743
-5,780	Costs allocated to services	-6,035	-6,638	-6,914
-333	Costs allocated to democratic representation & management	-333	-302	-342
-480	Costs allocated to corporate management	-504	-487	-487
-	Net expenditure inc in Income and Expenditure Account	-	-	-
Corporate and Democratic Core				
333	Democratic representation & management	333	302	342
480	Corporate management	504	487	487
813	Net expenditure inc in Income and Expenditure Account	837	789	829

Actual	Original	Revised	Budget
2007/08	2008/09	2008/09	2009/10

CAPITAL ADJUSTMENT ACCOUNT

The Income and Expenditure account is charged with a depreciation charge for the use of assets with a finite life (e.g. vehicles). They are however excluded when determining council tax and the corresponding movement on the general fund balance and therefore have to be removed, and are replaced by a provision for the repayment of debt.

New regulations came into force on 31st March 2008 require a larger provision for debt repayment if unsupported borrowing is used to acquire vehicles or equipment. Currently vehicles and equipment are not financed through borrowing and so the authority's debt repayments are made at the minimum level of 4% required by legislation.

INTEREST PAYABLE AND RECEIVABLE

The Authority borrows from two main sources:

- The Public Works Loans Board to finance capital expenditure, normally long-term at fixed rate.
- The County Council at variable rates based on local authority seven day notice rates. This can be used to meet short-term cash requirements, or to finance capital expenditure when circumstances are appropriate.

The authority invests any surplus funds on a daily basis with the County Council earning interest based on the local authority seven-day notice rate.

NON DISTRIBUTED COSTS

Overheads for which no direct user now benefits and which are therefore not apportioned to services.

PENSIONS ACCOUNT

From 1st April 2006 new financial arrangements have applied to firefighters' pensions.

Employer contributions, employee contributions and ill health charges are paid into this separate pensions account. The pensions account is charged with the cost of pension payments and the overall deficit is currently met by a 100% funded specific Department of Communities and Local Government (DCLG) grant.

705	Number of pensioners	771	729	738
-----	----------------------	-----	-----	------------

The 2009/10 budget is at November 2008 prices.

HAMPSHIRE FIRE & RESCUE AUTHORITY
REVENUE BUDGET

Actual 2007/08 £'000		Original 2008/09 £'000	Revised 2008/09 £'000	Budget 2009/10 £'000
CAPITAL ADJUSTMENT ACCOUNT				
-2,980	Reversal of depreciation net of deferred government grants released and impairment of fixed assets	-1365	-1365	-1365
338	Statutory provision for debt repayment	500	555	596
-157	Deferred charges written down	-5	-5	-5
<u>-2,799</u>	Net expenditure inc in Income and Expenditure Account	<u>-870</u>	<u>-815</u>	<u>-774</u>
INTEREST PAYABLE AND RECEIVABLE				
76	Interest on bank balance	330	120	60
281	Interest on external loans	545	317	416
NON DISTRIBUTED COSTS				
300	Non-distributed costs	-	-	-
PENSIONS ACCOUNT				
9,003	Pension Paid	9,684	9,889	10,532
3,420	Lump sums paid	3,881	3,781	1,020
-	Outwards Transfers	472	451	451
<u>12,423</u>		<u>14,037</u>	<u>14,121</u>	<u>12,003</u>
	Less income :			
2,444	Employee Contributions - 1992 scheme	2,630	2,353	2,378
238	Employee Contributions - 2006 scheme	488	369	483
4,875	Employer Contributions - 1992 scheme	4,949	4,703	4,756
308	Employer Contributions - 2006 scheme	631	478	624
-	Ill health charges	346	120	259
522	Inward Transfers	439	538	538
<u>8,387</u>		<u>9,483</u>	<u>8,561</u>	<u>9,038</u>
<u>4,036</u>	Deficit funded by DCLG grant	<u>4,554</u>	<u>5,560</u>	<u>2,965</u>

Section C – Capital

Capital schemes to the value of £2,684,000 are to start in 2009/10.

The Authority will be using a combination of borrowing, revenue contributions, grant and capital receipts to finance its capital programme as set out in the table below :

	09/10 £'000	10/11 £'000	11/12 £'000	12/13 £'000
Payments – existing commitments	3,477	1,200	-	-
Payments – proposed programme - 2009/10 – 2011/12 starts	1,689	2,969	3,567	920
Total payments	5,166	4,169	3,567	920
Financed by:				
Supported borrowing	1,811	1,650	450	95
Unsupported borrowing	991	0	0	72
Revenue contributions	730	730	694	0
Capital grant	318	1,778	0	0
Capital receipts	1,316	11	2,423	753
Total financing	5,166	4,169	3,567	920
Supported/unsupported(-) borrowing:				
Unused Balance 1 April	-540	-1,531	-1,318	95
Allocation (est. for 2011/12)	1,811	1,863	1,863	0
Used in year	-2,802	-1,650	-450	-167
Balance 31 March	-1,531	-1,318	95	-72
Capital receipts:				
Unused balance 1 April	274	823	812	753
Estimated in year receipts	1,865	0	2,364	0
Used in year	-1,316	-11	-2,423	-753
Balance 31 March	823	812	753	0

Capital Programme 2009/10- 2011/12

Ref	Project Details	Estimated	09/10	10/11	11/12	12/13
		Value	£'000	£'000	£'000	£'000
		£'000	£'000	£'000	£'000	£'000
	2009/10 Starts					
1	Vehicles: 8 pumping appliances } Mobile community reporting point } Ancillary support vehicles } 2 schools fire engines } Fire investigation support unit }	2,234	1,240	994		
2	Retained stations repairs and maintenance	50	50			
3	Major building repairs	400	400			
	2010/11 Starts					
4	Vehicles: 8 frontline appliances } Ancillary support vehicles } Multi role vehicle }	2,343		1,525	818	
5	Retained stations repairs and maintenance	50		50		
6	Major building repairs	400		400		
	2011/12 Starts					
7	Vehicles: 9 pumping appliances } Ancillary support vehicles } 2 multi role vehicles } 1 water carrier }	3,219			2,299	920
8	Retained stations repairs and maintenance	50			50	
9	Major building repairs	400			400	
		9,146	1,690	2,969	3,567	920